

## Cumberland Valley National Bank & Trust Company

July 20, 2006

Office of the Comptroller of the Currency  
250 E Street SW  
Mail Stop 1-5  
Washington DC 20219

Ms Jennifer J Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street & Constitution Avenue SW  
Washington DC 20551

Mr Robert E Feldman  
Executive Secretary  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington DC 20429

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street NW  
Washington DC 20552

Re: Commercial Real Estate Lending Proposed Guidance (71 FR 2302)

To Whom It May Concern:

This is the first time I have ever commented on a proposed guidance and appreciate the opportunity to do so. The reason for my comment is to express my sincere concern that if the proposed guidance becomes regulation the consequences for my bank and more importantly my community could be grave.

The ability of community banks to provide for the formation of commercial capital within their communities is essential to the ability of small towns throughout our country to retain a viable business infrastructure which provides jobs and services for their citizens. Contrary to the illusion they have created, the Money Centers and Super Regionals are not efficient for the provision of financial resources to small town America.

As a community bank we are very efficient at providing financial resources to our communities because we reside in those communities. We know the people. We understand the economic structure of the community. We can accurately assess the needs of the community. We know the business owners personally. We know the character of the individuals, their strengths and weaknesses and we understand how their business enterprises fit into our community. "We" are not an "area" lending team backed up by computer models, credit analysts and loan committees in Cleveland, Chicago and New York. "We" are the lender, the credit analyst, the CEO, the bank staff, the loan committee, the directors. "We" live here.

When we structure loans for businesses we often mortgage business' real estate assets purely as an "abundance of caution" transaction. For example, we may provide a line of credit to a business secured by real estate which under the principles of finance would typically be unsecured or perhaps secured by underlying receivables or inventory. We may finance the purchase of a sophisticated diagnostic instrument for a medical doctor. However, we may further secure the financing with commercial real estate as a third source of repayment, after cash flow and the underlying tangible or intangible collateral.

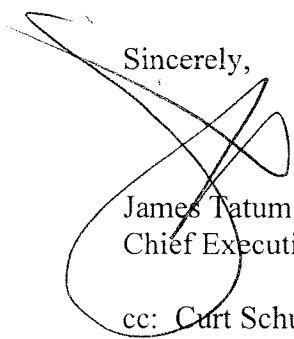
Our bank throughout the years has been very active in providing financial resources to the industrial, commercial and professional businesses in our market place. Much of this financing has been secured by commercial real estate. We have very effective risk management, credit administration, loan review and credit analysis systems in place to evaluate our commercial and industrial and our commercial real estate lending activities. In addition, we have strong commercial lending management and strong oversight by our Board of Directors and the bank examiners. However, a significant portion of our commercial real estate lending is for purposes other than the financing of the subject real estate.

We believe that limiting our ability to underwrite commercial real estate loans through an arbitrary and strict formula would be extremely detrimental to our commercial lending activities and consequently to the economic vitality of our community. To illustrate one example of this concern, our bank has been instrumental in providing financial resources to the medical community in our region. Because of this our citizens no longer have to travel to medical centers in distant cities to receive quality medical care. Instead our citizens can stay at home close to their families and receive the same medical care from doctors and other practitioners who are neighbors and sincerely care about an individuals care and well being.

The application of your proposed regulation would probably prevent us from any further lending to the medical community. The effect of this within our community would be negative and dramatic.

We understand that the bulk of the nation's banking assets are concentrated in large banks in large cities. We also understand that extremely comprehensive and complex regulations need to be formulated to assist the regulatory agencies with the oversight of these giant banks; however, when these same regulations are applied to small banks in small communities the result is to diminish the ability of community banks to provide adequate banking services. We believe that the proposed regulation if enacted would further erode the community banking system and consequently adversely affect the communities we serve.

Sincerely,



James Tatum  
Chief Executive Officer

cc: Curt Schuman, OCC  
Ballard Cassidy, KBA